

Memorandum

REPORT TO: City Commission

FROM: Melissa Hodnett, Finance Director
Scott McMahon, IT Director

SUBJECT: Authorize the City Manager to Sign a Professional Services Agreement with the Government Finance Officers Association (GFOA) for Enterprise Resource Planning (ERP) Software Replacement Advisory Services

MEETING DATE: May 6, 2025

AGENDA ITEM TYPE: Agreement - Vendor/Contract

RECOMMENDATION: Authorize the City Manager to Sign a Professional Services Agreement with the Government Finance Officers Association (GFOA) for Enterprise Resource Planning (ERP) Software Replacement Advisory Services

STRATEGIC PLAN: 7.5. Funding and Delivery of City Services: Use equitable and sustainable sources of funding for appropriate City services, and deliver them in a lean and efficient manner.

BACKGROUND: The City's adopted Capital Improvement Plan includes an ERP Replacement in FY27. In order to ensure successful project management, the City is contracting with the Government Finance Officers Association (GFOA) for advisory services. The GFOA is the only nonprofit organization that provides these services. The GFOA has experience planning for ERP replacements with over 600 local governments, and offers independent, objective, and best practice advice.

UNRESOLVED ISSUES: None

ALTERNATIVES: The City could proceed with planning for an ERP replacement without advisory services. This approach is not recommended. An ERP replacement is something that happens only once every 15 to 20 years and requires significant technical expertise to plan and implement successfully. Without advisory support, the City risks selecting a system that does not fully meet its needs, underestimating total project costs, or facing project delays and disruptions. Engaging experts will help ensure a thorough needs assessment, competitive vendor selection, and a smoother transition that protects City operations and taxpayer investment.

FISCAL EFFECTS: The contract amount will be paid for using adopted budget in the Finance department. The total cost of the ERP replacement currently in the adopted CIP is likely too low, and additional funding will be requested.

Attachments:

[PSA General-ERP Advisory GFOA-Final.docx](#)

[Bozeman_Proposal_2-28-25.pdf](#)

Report compiled on: April 25, 2025